

Minutes of the 9 June 2014
Regular Meeting of the Yancey County Board of Commissioners
Held at 6:00 o'clock p.m. in the Yancey County Courtroom
Yancey County Courthouse, Burnsville, North Carolina

Present at the 9 June 2014 meeting of the Yancey County Board of Commissioners were, Chairman Johnny Riddle, Commissioner Jill Austin, Commissioner Jim Edwards, Commissioner Randy Ollis, Commissioner Jeff Whitson, County Manager Nathan Bennett, Clerk to the Board Jason Robinson, County Planner Jamie McMahan, County Attorney Donny Laws, Finance Officer Brandi Burleson, Finance Director Lynne Hensley, members of the media, and members of the general public.

Call to Order and Approval of Agenda

Chairman Riddle called the meeting to order. Chairman Riddle then asked Blaine Whitson to deliver the invocation. After the invocation Commissioner Ollis led the Pledge of Allegiance. Chairman Riddle then asked for a motion to approve the agenda. Commissioner Whitson made a motion to approve the agenda and it was seconded by Commissioner Austin. The vote to approve was unanimous. (Attachment A)

Special Recognition-East Yancey Boys Athletics

The Board was pleased to recognize the accomplishments of East Yancey Middle School athletics. According to Mr. Wade Shehan, head football coach at East Yancey informed the Board that the East Yancey football, boys' basketball, baseball, and boys' track teams all were undefeated this year as well as the soccer team that is made up of students from both Cane River and East Yancey. The Board congratulated members of the teams and their coaches for this outstanding achievement.

RESOLUTION-Recognition of Rick Herndon

The Board next heard from Clerk to the Board Jason Robinson who read aloud a resolution honoring Mr. Rick Herndon who is retiring as the Executive Director of the High Country Council of Governments after 39 years of service. Upon hearing from Mr. Robinson, Commissioner Edwards made a motion to approve the resolution. The motion was seconded by Commissioner Ollis and the vote to approve was unanimous (Attachment B).

Public Comment

There was no one who wished to speak to the Board this month.

Consent Agenda

The Board next moved to the consent agenda portion of the agenda. On the consent agenda for June was the approval of the May 12th regular meeting minutes, and the performance review reports for both CDBG projects in the county (Attachment C). Also included in the consent agenda for June were Board appointments to various boards and commissions. The appointments for June were of Mrs. Susie Buchanan to the Yancey County and the AMY regional library board (Attachment D). Also in June Ms. Jean Rudasill was appointed to the Yancey County Joint Community Advisory Committee (Attachment E). Finally, on the consent agenda was the May tax collection report (Attachment F). Upon hearing the items on the consent agenda, Commissioner Ollis made a motion to approve the consent agenda and it was seconded by Commissioner Whitson. The vote to approve was unanimous.

Yancey County Fiscal Year 2014-15 Budget and Public Hearing

The Board next heard from County Manager Nathan Bennett concerning the 2014-15 fiscal year budget. Mr. Bennett read to the Board and the public his 2014-15 Budget Message (Attachment G) explaining the budget for fiscal year 2014-15 and that this budget was approximately \$775,000 lower than the previous year. Upon hearing from Mr. Bennett, Commissioner Ollis stated that he would like to thank the county manager and the finance office for all of the hard work they had put in on the budget. Chairman Riddle echoed Commissioner Ollis' comments and stated that he was so glad that everyone made this process so easy for the Board. Chairman Riddle then opened up the floor for the public hearing. One member of the public asked how the budget was made lower to which Finance Officer Brandi Burleson responded that the state revenues were lower so the budget was forced to be lower. Having no further comments, Commissioner Ollis made a motion to close the public hearing. The motion was seconded by Commissioner Edwards and the vote to close was unanimous. Chairman Riddle then asked if there was a motion to approve the 2014-15 Fiscal Year Budget Ordinance.

Commissioner Whitson made a motion to adopt the 2014-15 budget ordinance as presented. The motion was seconded by Commissioner Ollis and the vote to adopt was unanimous (Attachment H).

County Manager Business

The Board next heard from County Manager Nathan Bennett. Mr. Bennett gave the Board an update concerning East Yancey Sewer expansion. Mr. Bennett stated that he had met with the US Army Corp of Engineers and they are ready to issue a permit for the sewer line construction this week. According to Mr. Bennett this is what the County has been waiting on for so long for the continued construction of the sewer lines. Mr. Bennett stated that the first part of the sewer lines to be done will be up to Hickory Springs and then phase 2 will be coming back toward town. These plans have to be completed and then approved by the North Carolina Department of Environment and Natural Resources. Mr. Bennett also stated that he had met with the Assistant Secretaries of Commerce and the Department of Environment and Natural Resources about any potential shortfall of funds for this project and was encouraged by the conversations. Mr. Bennett next gave the Board an update of the Board of Elections office space. Mr. Bennett stated that the former US Forest Service building is still the angle that he would like to pursue but in the meantime he had sent a proposal of a one year lease back to the owner of the building that currently housed the Board of Election with a 30 day termination clause. This proposal was rejected and Mr. Bennett stated he is currently looking at office space in the greater Burnsville area. Mr. Bennett also informed the Board that a walking club is going to be started for all Yancey County employees soon. This is a continued focus on wellness that the County has undertaken. Mr. Bennett also informed the Board of some upcoming events that may be of interest to them.

County Attorney Business

County Attorney Donny Laws stated that he had one item of business for the Board to consider this month and it was the renewal of the TRACTOR lease. Mr. Laws stated that the Board had entered into a two year lease with Mr. Sam Young for the use of his building for the TRACTOR operations and it now time for the renewal of that lease. Mr. Laws stated that the language in the lease about the remodeling of the building was taken out and other than that the lease was identical to the one signed two years ago with a slight modification in the lease amount. Both Commissioner Edwards and Chairman Riddle stated that there is a large demand for produce that TRACTOR can supply right now and that there are about 66 growers hoping to fill this more than \$1 million demand. Upon hearing from Mr. Laws, Commissioner Austin made a motion to approve the lease as presented. The motion was seconded by Commissioner Edwards and the vote to approve was unanimous (Attachment I).

Commissioner Business

Commissioner Ollis gave the Board an update concerning the Department of Social Service and the problems caused by NCFAS. Chairman Riddle updated the Board concerning the Mayland Board of Trustees business over the last month.

Closed Session

Chairman Riddle then asked for a motion to go into closed session pursuant to NCGS 143-318.11(a)(6) for discussion of personnel. Commissioner Ollis made the motion and it was seconded by Commissioner Edwards. The vote to go into closed session was unanimous.

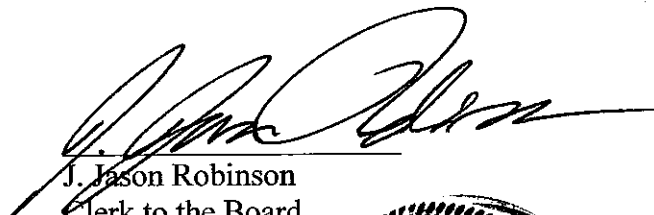
When the Board returned to open session Chairman Riddle stated that the meat of the discussion in closed session dealt with the salary of the DSS Director and whether to stay with the adopted pay plan or to deviate to the salary that the director requests of \$65,000. Upon hearing from Chairman Riddle, Commissioner Edwards made a motion to keep the salary consistent with the pay plan and the guidelines of the personnel policy at \$61,090.92 as reported by the county manager. The motion was seconded by Chairman Riddle. Upon call of the vote, the motion passed 4-1, with Chairman Riddle, Commissioners Edwards, Ollis, and Whitson voting aye and Commissioner Austin voting no.

Adjournment

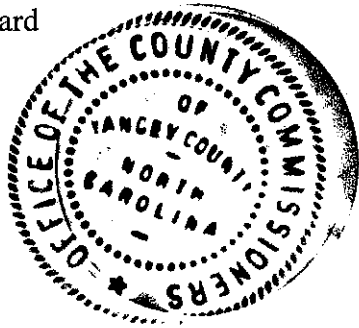
Having no further business Commissioner Ollis made a motion to adjourn and it was seconded by Commissioner Austin. The vote to adjourn was unanimous.

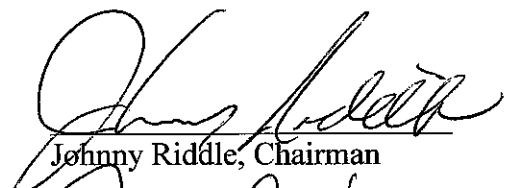
Approved and authenticated on this the 14th day of July 2014.

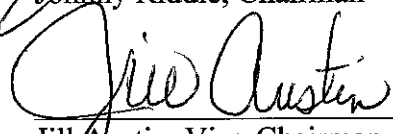
Attest:



J. Jason Robinson
Clerk to the Board

(county seal)




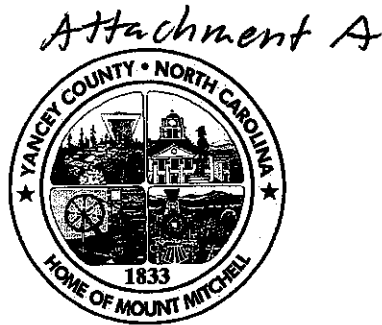

Johnny Riddle, Chairman


Jill Austin, Vice-Chairman


Jim Edwards, Commissioner

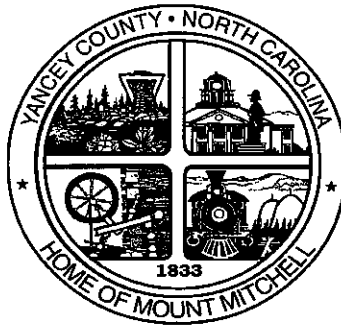

Randy Ollis, Commissioner


Jeff Whitson, Commissioner



**AGENDA
YANCEY COUNTY BOARD OF COMMISSIONERS
REGULAR BUSINESS MEETING
June 9, 2014
6:00 P.M.**

- I. Call to Order – Chairman Johnny Riddle
- II. Invocation, Pledge of Allegiance to the Flag
- III. Approval of the Agenda
- IV. Special Recognition – East Yancey Boys Athletics – Football, Baseball, Basketball Undefeated Seasons
- V. Special Recognition – RESOLUTION – Recognition of Richard “Rick” Herndon
- VI. Public Comment
- VII. Consent Agenda
 - a. Approval of the Minutes – May 12th Regular Meeting
 - b. CDBG Performance Review Monthly Reports – Scattered Site Housing and Senior Center Projects
 - c. Board Appointments – Yancey County and AMY Regional Library Boards – Susan Buchanan; Yancey County Joint Community Advisory Committee – Jean Rudasill
 - d. May Tax Collection Report – Informational
- VIII. Yancey County Fiscal Year 2014-15 Budget
 - a. 2014-15 Budget Message – Nathan Bennett, County Manager
 - b. PUBLIC HEARING
 - c. Consideration and Adoption
- IX. County Manager Report – Nathan Bennett, County Manager
 - a. General Update
- X. County Attorney Report – Donny Laws, County Attorney
 - a. TRACTOR Lease
- XI. County Commissioners Report
- XII. Closed Session Pursuant to NCGS 143-318.11(a)(6) – Personnel
- XIII. Adjourn



RESOLUTION

IN HONOR and RECOGNITION
Of

RICHARD “RICK” HERNDON

WHEREAS, the High Country Council of Governments is the local development district designated by the Appalachian Regional Commission and other state and federal entities to provide professional and technical services, such as planning and grant administration, for the seven-county region consisting of Alleghany, Ashe, Avery, Mitchell, Watauga, Wilkes, and Yancey counties; and

WHEREAS, Mr. Richard “Rick” Herndon has been employed by the High Country Council of Governments since 1975; and

WHEREAS, Mr. Herndon was appointed Executive Director of the High Country Council of Governments in 2004; and

WHEREAS, Mr. Herndon has served the High Country Region with distinction for 39 years; and

WHEREAS, Mr. Herndon has dedicated his life to serving the citizens and constituent governments of the High Country Council of Governments in the spirit of community, responsibility, and civic leadership; and

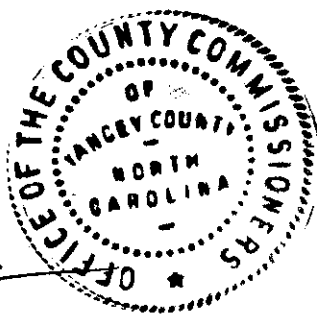
WHEREAS, Mr. Rick Herndon retires as Executive Director of the High Country Council of Governments on June 30, 2014.

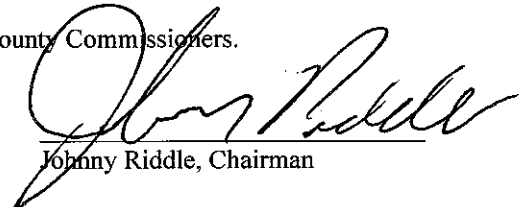
NOW, THEREFORE BE IT RESOLVED by the Yancey County Board of County Commissioners as follows:

1. That this Board, on behalf of the Citizens of Yancey County, does hereby pay tribute and honor to Mr. Rick Herndon for his 39 years of outstanding public service to the Citizens of Yancey County and the High Country Region.
2. That the accomplishments of Mr. Herndon and the High Country Council Governments during his tenure are recognized as a testament to the general welfare of the Citizens of Yancey County and the High Country Region.
3. That this resolution be effective upon its adoption.

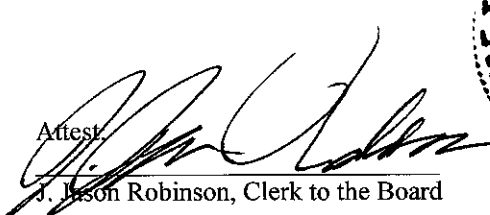
ADOPTED this the 9th day of June, 2014 by the Yancey County Board of County Commissioners.

(county seal)




Johnny Riddle, Chairman

Attest:


J. Jason Robinson, Clerk to the Board

Monthly Performance Status Report

Grantee: Yancey County Grant Number: 11-C-2330 Month: June year: 2014

[illegible]

| Performance Schedule (Based on Performance Base Contract) | On/Off schedule |
|--|-----------------|
| 100% | 100% |
| 90% | 90% |
| 80% | 80% |
| 70% | 70% |
| 60% | 60% |
| 50% | 50% |
| 40% | 40% |
| 30% | 30% |
| 20% | 20% |
| 10% | 10% |
| 0% | 0% |

- ❖ **On Performance Schedule:** Stop and submit report, no current performance status or remedy to get back on schedule is required
- ❖ **Off Performance Schedule:** Provide current performance status and remedy to get back on schedule and submit report

Monthly Performance Status Report

(Due 15th of month)

Grantee: Yancey County Grant Number: 11-C-2385 Month: June year: 2014

Activity Performance schedule Current Performance Status Remedy to get back on schedule
(On/Off) (If Off) (If Off Schedule) (If Off Schedule)

| | | | |
|---------------------------|--------------|---|--|
| Senior/Handicapped Center | Slightly Off | Delays caused by the other funding agency, USDA, caused an approximate 6 month delay. | The project is progressing. Contracts have been signed, the pre-construction conference was held 5/19/14 and a Notice to Proceed was issued 5/20/14. The building is scheduled to be complete by 1/15/15 months before the 7/12/15 CDBG closeout deadline. |
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Prepared by: Michelle Ball

Title Community Development Planner

Approved and Emailed by: J. Jason Robinson
Board or Council Update:

Title Clerk to the Board (City or County Manager or Clerk)
Date June 10, 2014

Performance Schedule
(Based on Performance Base Contract)
On/Off schedule

- ❖ On Performance Schedule: Stop and submit report, no current performance status or remedy to get back on schedule is required
- ❖ Off Performance Schedule: Provide current performance status and remedy to get back on schedule and submit report

June 2014

Yancey County Board of Commissioners:

The Yancey County Public Library Board of Trustees respectfully request that at your June 2014 regular meeting you appoint Susie Buchanan to serve a three-year term on the Yancey Public Library Board and at the same to serve a three-year term as a Yancey representative on the AMY Regional Library Board. The terms would begin July 1, 2014 and end July 1 2017.

Thank you,

Jody Higgins, chair

Yancey Library Board



May 23, 2014

Mr. Jason Robinson
Clerk to Board of Commissioners
110 Town Square
Room 11
Burnsville, North Carolina 28714

Gary D. Blevins
Chairman of the Board

Brenda Lyerly
Vice-Chairman

Johnny Riddle
Secretary

Valerie Jaynes
Treasurer

Rick Herndon
Executive Director

Dear Mr. Clerk of Court,

Mrs. Jean Rudasill has indicated her willingness to be appointed for a one year term to the Yancey County Joint Community Advisory Committee. I have enclosed an updated committee roster, for your information.

Please submit Mrs. Rudasill's name to the Commissioners for their consideration and let me know their decision at your earliest convenience. Mrs. Rudasill's nomination form is enclosed. If you have any questions or concerns, please feel free to contact me. Thank you for your attention to this matter.

Sincerely,

Laura Jane Ward
Regional Ombudsman

Enclosures

468 New Market Blvd.
Boone, NC 28607

Phone: 828-265-5434
Fax: 828-265-5439
TTY: 1-800-735-2962
Voice: 1-800-735-8262

Web: www.regiond.org

Yancey Community Advisory Committee

| | |
|---|--|
| Patricia Millen 8 Haney Creek Road Burnsville, NC 28714 P: (828) 682-9000 | Nina Burleson P.O. Box 671 Burnsville, NC 28714 P: (828) 682-7504 |
| Marilyn Gulesian 1370 Hardscrabble Road Burnsville, NC 28714 P: (828) 682-4749 | Nina Hughes 1924 Bakers Creek Road Burnsville, NC 28714 P: (828) 284-4464 |
| Millie Randolph 161 Hunters Ridge Road Burnsville, NC 28714 P: (828) 682-6368 | |

NOMINATION FORM
Long Term Care
Community Advisory Committee

Nominee Background Information

Name: JEAN KUPASILL Phone: 828-675-4971

Home Address: 300 GATOR LANE

Email: Auntjean@embargo@mail.com County of Residence: YANCEY

Occupation: RETIRED

Number of hours available per month for this position: 3-5

Education: BAE - SOCIAL STUDIES EDUCATION; MA - EDU.

ADMINISTRATION; EDD - EDUCATIONAL ADM.

Business and civic experience and skills: TEACHER 6 YRS; ADMINISTRATOR - SPECIAL EDUCATION, CURRICULUM

Areas of expertise and interest/skill: EXCEPTIONAL STUDENT EDUCATION; REGIONAL DIRECTOR, FL. HEALTH & HUMAN SERVICES; BOARD MEMBER - GOV. COMMISSION ON ADVOCACY

The following persons are excluded by legislation from serving on the committee: IN FLORIDA

1. Persons or immediate family members of persons with a financial interest in a home served by a committee.
2. An employee or governing board member or immediate family member of an employee or governing board member of a home served by a committee (A person paid by a home as a consultant is considered an employee).
3. The immediate family member of a patient in a home served by a committee. An "immediate family member" is defined as a mother, father, sister, brother, spouse, child, grandmother, grandfather, and in law for the above.

I certify that none of the exclusions listed above apply to me. I understand that I must notify the ombudsman immediately if my situation changes with respect to the above exclusions.

Jean Kupasill
Signature of Applicant

Nomination form submitted by:

Name

JJ Ward

5/18/14
Date

High Country AAA
Facility/Agency

Attachment F
YANCEY COUNTY TAX ADMINISTRATION

Alpha

End of Month Breakout
Posted Credits in Date Range 05/01/2014 to 05/31/2014 for Both

| Description | Amount |
|--|-------------|
| NonVehicle Payments | |
| County NonVehicle Tax Payments 2013 | \$57,186.32 |
| County NonVehicle Tax Payments 2012 | \$9,379.57 |
| County NonVehicle Tax Payments 2011 | \$2,800.10 |
| County NonVehicle Tax Payments 2010 | \$1,632.36 |
| County NonVehicle Tax Payments 2009 | \$726.79 |
| County NonVehicle Tax Payments 2008 | \$5.48 |
| County NonVehicle Tax Payments 2007 | |
| County NonVehicle Tax Payments 2006 | |
| County NonVehicle Tax Payments 2005 | |
| County NonVehicle Tax Payments 2004 | |
| County NonVehicle Tax Payments 2003 | |
| County NonVehicle Advertising Payments | \$1,315.26 |
| County NonVehicle Interest Payments | \$6,628.28 |
| County NonVehicle Late List Penalty Paym | \$42.18 |
| County Foreclosure Cost Payments | \$1,520.54 |
| County NonVehicle Refunds | \$220.00 |
| County NonVehicle Total Payments | \$81,456.88 |
| Burnsville VFD NonVehicle Tax | \$1,330.08 |
| South Toe VFD NonVehicle Tax | \$1,406.82 |
| Newdale VFD NonVehicle Tax | \$903.43 |
| West Yancey VFD NonVehicle Tax | \$1,818.33 |
| Egypt/Ramseytown VFD NonVehicle Tax | \$712.69 |
| Clearmont VFD NonVehicle Tax | \$430.14 |
| Double Island VFD NonVehicle Tax | \$132.95 |
| Pensacola VFD NonVehicle Tax | \$414.68 |
| VFD NonVehicle Total Payments | \$7,149.12 |
| NonVehicle Total Payments | \$88,606.00 |
| NonVehicle BankCard Amount | \$8,728.66 |
| NonVehicle BankCard Fee | |
| Vehicle Payments | |
| County Vehicle Tax Payments 2013 | \$15,670.97 |
| County Vehicle Tax Payments 2012 | \$983.27 |
| County Vehicle Tax Payments 2011 | |
| County Vehicle Tax Payments 2010 | |
| County Vehicle Tax Payments 2009 | |

| | |
|--|--------------|
| County Vehicle Tax Payments 2008 | |
| County Vehicle Tax Payments 2007 | |
| County Vehicle Tax Payments 2006 | |
| County Vehicle Tax Payments 2005 | |
| County Vehicle Tax Payments 2004 | |
| County Vehicle Tax Payments 2003 | |
| County Vehicle Interest | \$972.74 |
| County Vehicle Total Payments | \$17,626.98 |
| Burnsville VFD Vehicle Tax | \$391.63 |
| South Toe VFD Vehicle Tax | \$194.74 |
| Newdale VFD Vehicle Tax | \$370.11 |
| West Yancey VFD Vehicle Tax | \$340.88 |
| Egypt/Ramseytown VFD Vehicle Tax | \$117.85 |
| Clearmont VFD Vehicle Tax | \$217.75 |
| Double Island VFD Vehicle Tax | \$74.91 |
| Pensacola VFD Vehicle Tax | \$78.99 |
| VFD Vehicle Interest | \$107.69 |
| VFD Vehicle Total Payments | \$1,894.55 |
| Town of Burnsville Vehicle Tax | \$1,002.28 |
| Town of Burnsville Vehicle Interest | \$70.62 |
| Town of Burnsville Vehicle Total Payment | \$1,072.90 |
| State Vehicle Interest | \$481.64 |
| Vehicle Total Payments | \$21,076.07 |
| Vehicle BankCard Amount | \$2,201.68 |
| Vehicle BankCard Fee | |
| NonVehicle + Vehicle Total Payments | \$109,682.07 |
| 06/02/2014 | |

| | | | |
|--|--|--|--------------|
| PRICES CREEK FIRE DISTRICT Vehicle Tax | | | \$840.97 |
| \$598.75 | | | \$242.22 |
| | | | |
| County Vehicle Interest | | | \$9,044.37 |
| \$4,581.89 | | | \$4,462.48 |
| | | | |
| TOWN OF BURNSVILLE Vehicle Interest | | | \$739.22 |
| \$328.79 | | | \$410.43 |
| | | | |
| BURNSVILLE FIRE DISTRICT Vehicle Interes | | | \$202.32 |
| \$99.23 | | | \$103.09 |
| | | | |
| CANE RIVER FIRE DISTRICT Vehicle Interes | | | \$70.91 |
| \$34.39 | | | \$36.52 |
| | | | |
| EGYPT FIRE DISTRICT Vehicle Interest | | | \$24.93 |
| \$12.41 | | | \$12.52 |
| | | | |
| RAMSEYTOWN FIRE DISTRICT Vehicle Interes | | | \$31.50 |
| \$16.49 | | | \$16.01 |
| | | | |
| GREEN MOUNTAIN FIRE DISTRICT Vehicle Int | | | \$28.85 |
| \$14.13 | | | \$14.72 |
| | | | |
| JACKS CREEK FIRE DISTRICT Vehicle Intere | | | \$113.46 |
| \$56.75 | | | \$56.71 |
| | | | |
| BRUSH CREEK FIRE DISTRICT Vehicle Intere | | | \$34.75 |
| \$16.64 | | | \$18.11 |
| | | | |
| CRABTREE FIRE DISTRICT Vehicle Interest | | | \$247.12 |
| \$117.26 | | | \$129.86 |
| | | | |
| SOUTH TOE FIRE DISTRICT Vehicle Interest | | | \$129.02 |
| \$72.13 | | | \$56.89 |
| | | | |
| PENSACOLA FIRE DISTRICT Vehicle Interest | | | \$36.19 |
| \$20.19 | | | \$16.00 |
| | | | |
| PRICES CREEK FIRE DISTRICT Vehicle Inter | | | \$66.18 |
| \$33.68 | | | \$32.50 |
| | | | |
| DMV Vehicle Interest | | | \$3,879.88 |
| \$2,684.28 | | | \$1,195.60 |
| | | | |
| Totals | | | \$144,895.92 |
| \$98,439.71 | | | \$46,456.21 |

| | Billed to Date | % Collected |
|-------------------------|----------------|-------------|
| County Vehicle Tax 2013 | \$362,103.87 | 78.79% |

06/02/2014

YANCEY COUNTY TAX ADMINISTRATION

End of Month Breakout

Outstanding Balances through 05/31/2014

| Description | 2013 | 2012 | 2011 | 2010 | 2009 | 2008 | 2007 | 2006 | 2005 | 2004 | 2003 | Total |
|--|--------------|-------------|-------------|-------------|-------------|-------------|-------------|------------|------------|------|------|--------------|
| Balances | | | | | | | | | | | | |
| | | | | | | | | | | | | |
| County NonVehicle Tax | | | | | | | | | | | | \$768,373.49 |
| \$467,042.28 | \$120,828.14 | \$64,712.91 | \$36,126.67 | \$20,267.25 | \$15,250.34 | \$10,444.68 | \$11,364.55 | \$9,721.07 | \$3,913.05 | | | \$8,702.55 |
| | | | | | | | | | | | | |
| BURNSVILLE FIRE DISTRICT NonVehicle Tax | | | | | | | | | | | | \$10,252.02 |
| \$6,517.53 | \$1,294.87 | \$703.98 | \$484.88 | \$204.85 | \$254.66 | \$167.53 | \$322.51 | \$142.41 | \$76.40 | | | \$82.40 |
| | | | | | | | | | | | | |
| CANE RIVER FIRE DISTRICT NonVehicle Tax | | | | | | | | | | | | \$12,337.24 |
| \$9,314.66 | \$2,071.12 | \$447.09 | \$194.98 | \$89.04 | \$113.56 | \$41.28 | \$12.28 | \$31.83 | \$2.28 | | | \$9.12 |
| | | | | | | | | | | | | |
| EGYPT FIRE DISTRICT NonVehicle Tax | | | | | | | | | | | | \$5,114.68 |
| \$2,421.10 | \$784.45 | \$611.77 | \$334.58 | \$256.85 | \$216.10 | \$104.50 | \$102.48 | \$85.55 | \$57.35 | | | \$139.95 |
| | | | | | | | | | | | | |
| RAMSEYTOWN FIRE DISTRICT NonVehicle Tax | | | | | | | | | | | | \$497.84 |
| | | | \$47.05 | \$47.05 | \$47.05 | \$49.65 | \$49.65 | \$51.34 | \$49.65 | | | \$156.40 |
| | | | | | | | | | | | | |
| GREEN MOUNTAIN FIRE DISTRICT NonVehicle | | | | | | | | | | | | \$7,793.33 |
| \$4,278.09 | \$1,614.65 | \$1,474.09 | \$304.75 | \$94.55 | \$14.20 | \$1.50 | \$1.50 | \$10.00 | | | | |
| | | | | | | | | | | | | |
| JACKS CREEK FIRE DISTRICT NonVehicle Tax | | | | | | | | | | | | \$1,523.20 |
| \$26.33 | \$45.21 | | \$631.52 | \$190.18 | \$108.00 | \$100.91 | \$107.86 | \$101.65 | \$46.91 | | | \$164.63 |
| | | | | | | | | | | | | |
| BRUSH CREEK FIRE DISTRICT NonVehicle Tax | | | | | | | | | | | | \$1,487.09 |
| \$1,013.94 | \$249.03 | \$101.22 | \$92.44 | \$26.86 | \$1.80 | \$1.80 | | | | | | |
| | | | | | | | | | | | | |
| CRABTREE FIRE DISTRICT NonVehicle Tax | | | | | | | | | | | | \$10,419.95 |
| \$6,387.27 | \$1,366.15 | \$726.20 | \$536.60 | \$451.90 | \$251.39 | \$231.73 | \$207.19 | \$190.63 | \$29.82 | | | \$41.07 |
| | | | | | | | | | | | | |
| SOUTH TOE FIRE DISTRICT NonVehicle Tax | | | | | | | | | | | | \$12,405.37 |
| \$6,521.54 | \$2,210.63 | \$2,061.26 | \$500.26 | \$378.45 | \$244.25 | \$137.37 | \$124.35 | \$102.50 | \$24.12 | | | \$100.64 |
| | | | | | | | | | | | | |
| PENSACOLA FIRE DISTRICT NonVehicle Tax | | | | | | | | | | | | \$3,733.32 |
| \$3,171.19 | \$231.10 | \$132.66 | \$25.44 | \$23.28 | \$24.20 | \$23.52 | \$24.12 | \$24.17 | \$14.22 | | | \$39.42 |
| | | | | | | | | | | | | |
| PRICES CREEK FIRE DISTRICT NonVehicle Ta | | | | | | | | | | | | \$1,509.70 |
| \$665.20 | \$23.21 | | \$247.31 | \$138.90 | \$141.93 | \$56.98 | \$53.56 | \$39.37 | \$27.70 | | | \$115.52 |

| | | | | | | | | | | |
|----------------------------|--------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|------------|----------------|
| County Late List Penalty | | | | | | | | | | \$1,954.36 |
| \$17.99 | \$368.24 | \$28.41 | | \$240.27 | \$512.10 | \$387.17 | \$390.67 | | \$9.51 | |
| County NonVehicle Interest | | | | | | | | | | \$125,078.57 |
| \$24,428.10 | \$18,485.97 | \$16,517.16 | \$11,096.80 | \$8,657.38 | \$8,417.22 | \$6,982.91 | \$8,551.05 | \$8,337.65 | \$3,540.61 | \$10,063.72 |
| County Advertising Cost | | | | | | | | | | \$8,763.47 |
| \$5,246.12 | \$968.35 | \$528.00 | \$408.00 | \$292.00 | \$232.00 | \$182.00 | \$178.50 | \$147.00 | \$119.00 | \$462.50 |
| NonVehicle | | | | | | | | | | \$48,886.64 |
| \$2,048.01 | \$34,151.45 | \$11,720.03 | | | | | | | | \$967.15 |
| Totals | | | | | | | | | | \$1,020,130.27 |
| \$539,099.35 | \$184,692.57 | \$99,764.78 | \$51,031.28 | \$31,128.54 | \$25,556.97 | \$19,038.46 | \$21,486.79 | \$19,375.84 | \$8,868.26 | \$20,087.43 |

County NonVehicle Tax 2013

Billed to Date

\$12,319,909.77

% Collected

96.21%

06/02/2014

Posting Report

2014-05-01 to 2014-05-31

I. Tax Collections + Releases

| Year | General Fund | Burnsville | West Yancey | Egypt/Ramseytown | Clearmont | Double Island | Newdale | South Toe | Pensacola | TOTAL |
|-------|--------------|------------|-------------|------------------|-----------|---------------|----------|-----------|------------|--------------|
| 2000 | \$3.01 | \$0.00 | \$0.00 | | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$3.01 |
| 2001 | \$3.05 | \$0.00 | \$2.09 | | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$5.14 |
| 2002 | \$11.23 | \$0.00 | \$0.00 | | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$11.23 |
| 2003 | \$5.20 | \$0.00 | \$0.00 | | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$1.00 | \$6.20 |
| 2005 | \$0.00 | \$0.00 | \$0.00 | | \$0.00 | \$1.66 | \$0.00 | \$0.00 | \$0.00 | \$1.66 |
| 2008 | \$4.75 | \$0.00 | \$2.00 | | \$0.00 | \$0.00 | \$0.00 | \$11.32 | \$0.00 | \$18.07 |
| 2009 | \$726.79 | \$0.00 | \$0.00 | | \$0.00 | \$0.00 | \$2.00 | \$59.56 | \$0.00 | \$788.35 |
| 2010 | \$1,632.36 | \$198.35 | \$0.00 | | \$12.90 | \$66.90 | \$0.00 | \$25.80 | \$59.68 | \$1,995.99 |
| 2011 | \$2,800.10 | \$0.00 | \$0.00 | | \$76.26 | \$81.18 | \$0.00 | \$25.80 | \$90.07 | \$3,073.41 |
| 2012 | \$119,102.81 | \$34.45 | \$9,809.26 | | \$72.57 | \$94.67 | \$0.00 | \$180.86 | \$354.91 | \$129,767.01 |
| 2013 | \$75,648.27 | \$1,059.36 | \$3,024.59 | | \$552.01 | \$174.42 | \$132.89 | \$672.12 | \$851.74 | \$82,412.60 |
| TOTAL | \$199,937.57 | \$1,292.16 | \$12,837.94 | | \$713.74 | \$418.83 | \$132.89 | \$906.58 | \$1,427.28 | \$218,082.61 |

II. Releases

| | Current Year | Prior Year | TOTAL |
|------------------|--------------|--------------|--------------|
| General Fund | \$0.00 | \$128,173.62 | \$128,173.62 |
| Burnsville | \$0.00 | \$0.00 | \$0.00 |
| West Yancey | \$0.00 | \$11,018.76 | \$11,018.76 |
| Egypt/Ramseytown | \$0.00 | \$1.05 | \$1.05 |
| Clearmont | \$0.00 | \$3.23 | \$3.23 |
| Double Island | \$0.00 | \$0.00 | \$0.00 |
| Newdale | \$0.00 | \$3.15 | \$3.15 |
| South Toe | \$0.00 | \$19.73 | \$19.73 |
| Pensacola | \$0.00 | \$1.00 | \$1.00 |
| TOTAL | \$0.00 | \$139,220.54 | \$139,220.54 |

III. Net Tax Collections

| Year | General Fund | Burnsville | West Yancey | Egypt/Ramseytown | Clearmont | Double Island | Newdale | South Toe | Pensacola | TOTAL |
|-------|--------------|------------|-------------|------------------|-----------|---------------|----------|-----------|------------|-------------|
| TOTAL | \$71,763.95 | \$1,292.16 | \$1,819.18 | | \$712.69 | \$415.60 | \$132.89 | \$903.43 | \$1,407.55 | \$78,862.13 |

Transaction Type Report

2014-05-01 to 2014-05-31

| Year | General | Fire | Late | Principal | Interest | Advertising Cost | Legal Cost | Total |
|-------|-------------|------------|---------|-------------|------------|------------------|------------|-------------|
| 2001 | \$-0.85 | \$0.85 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 |
| 2008 | \$4.75 | \$0.73 | \$0.00 | \$5.48 | \$2.67 | \$0.00 | \$0.00 | \$8.15 |
| 2009 | \$726.79 | \$56.55 | \$0.00 | \$783.34 | \$287.66 | \$4.00 | \$0.00 | \$1,075.00 |
| 2010 | \$1,632.36 | \$360.50 | \$8.68 | \$2,001.54 | \$600.67 | \$12.00 | \$0.00 | \$2,614.21 |
| 2011 | \$2,800.10 | \$273.31 | \$33.50 | \$3,106.91 | \$596.35 | \$28.00 | \$0.00 | \$3,731.26 |
| 2012 | \$9,269.68 | \$1,106.74 | \$0.00 | \$10,376.42 | \$1,848.84 | \$152.02 | \$541.36 | \$12,918.64 |
| 2013 | \$57,331.12 | \$5,299.50 | \$0.00 | \$62,630.62 | \$3,289.70 | \$1,139.24 | \$979.18 | \$68,038.74 |
| TOTAL | \$71,763.95 | \$7,098.18 | \$42.18 | \$78,904.31 | \$6,625.89 | \$1,335.26 | \$1,520.54 | \$88,386.00 |

Adjustment / Release Report

2014-05-01 to 2014-05-31

| Year | General | Late | Principal | Interest | Advertising Cost | Legal Cost | Fire | Amount Due | County Net |
|-------|--------------|--------|--------------|-------------|---------------------|---------------|-------------|--------------|--------------|
| 2000 | \$3.01 | \$5.48 | \$8.49 | \$0.24 | \$0.00 | \$0.00 | \$0.00 | \$8.73 | \$8.73 |
| 2001 | \$3.90 | \$0.00 | \$3.90 | \$0.16 | \$0.00 | \$0.00 | \$1.24 | \$5.30 | \$4.06 |
| 2002 | \$11.23 | \$0.00 | \$11.23 | \$0.36 | \$0.00 | \$0.00 | \$0.00 | \$11.59 | \$11.59 |
| 2003 | \$5.20 | \$0.00 | \$5.20 | \$0.20 | \$0.00 | \$0.00 | \$1.00 | \$6.40 | \$5.40 |
| 2005 | \$0.00 | \$0.00 | \$0.00 | \$0.04 | \$0.00 | \$0.00 | \$1.66 | \$1.70 | \$0.04 |
| 2008 | \$0.00 | \$0.00 | \$0.00 | \$0.44 | \$0.00 | \$0.00 | \$12.59 | \$13.03 | \$0.44 |
| 2009 | \$0.00 | \$0.00 | \$0.00 | \$0.20 | \$0.00 | \$0.00 | \$5.01 | \$5.21 | \$0.20 |
| 2010 | \$0.00 | \$0.00 | \$0.00 | \$0.08 | \$0.00 | \$0.00 | \$3.13 | \$3.21 | \$0.08 |
| 2012 | \$109,833.13 | \$0.00 | \$109,833.13 | \$21,795.65 | \$0.00 | \$5.00 | \$9,557.46 | \$141,191.24 | \$131,633.78 |
| 2013 | \$18,317.15 | \$3.31 | \$18,320.46 | \$11.10 | \$4.00 | \$0.00 | \$1,464.83 | \$19,800.39 | \$18,335.56 |
| TOTAL | \$128,173.62 | \$8.79 | \$128,182.41 | \$21,808.47 | \$4.00 | \$5.00 | \$11,046.92 | \$161,046.80 | \$149,999.88 |

Collections Receipts Report

2014-05-01 to 2014-05-31

| | |
|---------------------------|-------------|
| Total general tax | \$71,763.95 |
| Total fire tax | \$7,098.18 |
| Total late tax | \$42.18 |
| Total principal | \$78,904.31 |
| Total interest | \$6,625.89 |
| Total cost of advertising | \$1,335.26 |
| Total legal | \$1,520.54 |
| Total check overpayments | \$220.00 |
| Total Prepaid Payments | \$10,333.17 |
| Total Prepaid Applied | \$0.00 |
| Total misc | \$20,034.86 |
| Grand total receipts | \$98,939.17 |

District Payment Report

2014-05-01 to 2014-05-31

| Year | District Code | District Name | Amount |
|-------|---------------|------------------------------|------------|
| 2001 | 012 | CANE RIVER FIRE DISTRICT | \$0.85 |
| 2008 | 019 | SOUTH TOE FIRE DISTRICT | \$0.73 |
| 2009 | 019 | SOUTH TOE FIRE DISTRICT | \$56.55 |
| 2010 | 011 | BURNSVILLE FIRE DISTRICT | \$198.35 |
| 2010 | 014 | RAMSEYTOWN FIRE DISTRICT | \$12.90 |
| 2010 | 015 | GREEN MOUNTAIN FIRE DISTRICT | \$66.90 |
| 2010 | 018 | CRABTREE FIRE DISTRICT | \$25.80 |
| 2010 | 019 | SOUTH TOE FIRE DISTRICT | \$56.55 |
| 2011 | 013 | EGYPT FIRE DISTIRCT | \$76.26 |
| 2011 | 015 | GREEN MOUNTAIN FIRE DISTRICT | \$81.18 |
| 2011 | 018 | CRABTREE FIRE DISTRICT | \$25.80 |
| 2011 | 019 | SOUTH TOE FIRE DISTRICT | \$90.07 |
| 2012 | 011 | BURNSVILLE FIRE DISTRICT | \$34.45 |
| 2012 | 012 | CANE RIVER FIRE DISTRICT | \$258.57 |
| 2012 | 013 | EGYPT FIRE DISTIRCT | \$71.52 |
| 2012 | 015 | GREEN MOUNTAIN FIRE DISTRICT | \$93.10 |
| 2012 | 018 | CRABTREE FIRE DISTRICT | \$179.71 |
| 2012 | 019 | SOUTH TOE FIRE DISTRICT | \$351.91 |
| 2012 | 020 | PENSACOLA FIRE DISTRICT | \$117.48 |
| 2013 | 011 | BURNSVILLE FIRE DISTRICT | \$1,059.36 |
| 2013 | 012 | CANE RIVER FIRE DISTRICT | \$1,559.76 |
| 2013 | 013 | EGYPT FIRE DISTIRCT | \$552.01 |
| 2013 | 015 | GREEN MOUNTAIN FIRE DISTRICT | \$174.42 |
| 2013 | 017 | BRUSH CREEK FIRE DISTRICT | \$132.89 |
| 2013 | 018 | CRABTREE FIRE DISTRICT | \$672.12 |
| 2013 | 019 | SOUTH TOE FIRE DISTRICT | \$851.74 |
| 2013 | 020 | PENSACOLA FIRE DISTRICT | \$297.20 |
| TOTAL | | | \$7,098.18 |

Detailed District Payment Report

2014-05-01 to 2014-05-31

| Year | District Code | District Name | Taxpayer Name | Address | Amount |
|-------|---------------|---------------|---------------|---------|--------|
| TOTAL | | | | | \$0.00 |

Outstanding Balances Report

As of 2014-05-31

| Year | Amount | County | District | Interest | Advertising | Penalties |
|-------|----------------|--------------|-------------|--------------|-------------|-------------|
| 2003 | \$6,285.10 | \$3,055.73 | \$235.45 | \$2,899.42 | \$94.50 | \$0.00 |
| 2004 | \$8,879.08 | \$3,923.48 | \$328.52 | \$3,540.93 | \$119.00 | \$0.00 |
| 2005 | \$18,251.13 | \$9,072.64 | \$779.45 | \$7,861.37 | \$147.00 | \$390.67 |
| 2006 | \$22,611.68 | \$12,011.55 | \$1,007.13 | \$9,027.33 | \$178.50 | \$387.17 |
| 2007 | \$19,060.77 | \$10,460.81 | \$919.22 | \$6,986.64 | \$182.00 | \$512.10 |
| 2008 | \$25,566.25 | \$15,168.01 | \$1,493.41 | \$8,432.56 | \$232.00 | \$240.27 |
| 2009 | \$31,107.49 | \$20,257.97 | \$1,903.23 | \$8,654.29 | \$292.00 | \$0.00 |
| 2010 | \$51,031.28 | \$35,087.41 | \$4,395.38 | \$11,136.60 | \$412.00 | \$-0.11 |
| 2011 | \$99,773.59 | \$64,959.35 | \$6,069.59 | \$16,479.21 | \$532.00 | \$28.41 |
| 2012 | \$185,662.57 | \$100,955.96 | \$7,066.90 | \$13,452.35 | \$977.95 | \$28,269.60 |
| 2013 | \$539,614.34 | \$467,435.45 | \$40,374.35 | \$24,498.42 | \$5,240.12 | \$17.99 |
| 2014 | \$5.50 | \$5.00 | \$0.50 | \$0.00 | \$0.00 | \$0.00 |
| Total | \$1,007,848.78 | \$742,393.36 | \$64,573.13 | \$112,969.12 | \$8,407.07 | \$29,846.10 |

Collection Percentages

2014-06-02

| Year | Percentage | |
|------|------------|--------------------|
| 2000 | 99.98% | |
| 2001 | 99.96% | |
| 2002 | 99.97% | |
| 2003 | 99.95% | |
| 2004 | 99.94% | |
| 2005 | 99.86% | |
| 2006 | 99.82% | |
| 2007 | 99.85% | |
| 2008 | 99.86% | |
| 2009 | 99.81% | |
| 2010 | 99.67% | |
| 2011 | 99.40% | |
| 2012 | 99.13% | <u>Actual Rate</u> |
| 2013 | 96.15% | 96.21% F.G. |

BIS has a
calculation error
they are working
on.
Y.Y.

COUNTY OF YANCEY

FY 2014-2015

BUDGET MESSAGE



June 9, 2014

**Nathan R. Bennett
Yancey County Manager**

YANCEY COUNTY BUDGET MESSAGE

FISCAL YEAR 2014-2015

***To the Yancey County Board of County Commissioners
and Citizens of Yancey County:***

In accordance with North Carolina General Statute 159-11, the Yancey County Fiscal Year 2014-2015 proposed budget is respectfully submitted for your review and consideration. The proposed budget sets forth a plan of operation for all County departments, programs, and capital projects for the coming year. This proposed budget is balanced in accordance with the Local Government Budget and Fiscal Control Act with general fund revenues and expenditures each totaling \$20,531,540. This proposed budget is \$755,794 less than the adopted FY 2013-2014 budget.

INTRODUCTION

This budget message will introduce the Yancey County Fiscal Year 2014-2015 proposed budget. The budgeting process begins in February of each year with management requesting proposed appropriation use plans from departments, agencies and other County-supported entities. This year the requests for County funding exceeded expected revenues by over \$1.7 million. Over the course of numerous work sessions, the County Commissioners and County staff have worked to develop a balanced budget in line with expected revenue. This document will show how the County plans to utilize its fiscal resources and will highlight some of the more significant impacts to the County's budget.

Yancey County has worked very hard over the past six years to accomplish three simple goals: restore the financial integrity of Yancey County, maintain essential public safety and basic services, and make investments in infrastructure necessary to support economic prosperity. It has been imperative to accomplish these tasks without overburdening the County taxpayer. This has been accomplished despite continued declining sales tax revenues, reductions in County revenue due to the federal budget sequester, State revenue reductions and unfunded State mandates. This budget provides a priority spending plan that does not increase the tax burden on the County taxpayer by recommending the current tax rate of \$0.50 per \$100 valuation be maintained.

County government, unlike most private business, experiences increased demands for many services such as law enforcement, emergency medical services, public health and other social services during tough economic times. County staff has done a great job doing more with less during these very difficult years. This budget continues the progress made the last few years to provide resources to staff necessary to provide these services. For the first time since 2012, and only the second time since 2008, there is an across the board pay increase for employees included in this budget.

REVENUES

The County's primary sources of funding are property and sales taxes and state and federal grants. Property taxes constitute the County's largest source of revenue. For Fiscal Year 2014-2015, the current property tax remains unchanged at \$0.50 per \$100 of valuation. It is expected this rate will provide an estimated total revenue of \$11,928,885 or 58% of the total general fund budget. The County Tax Department has done a good job over the past few years working with tax payers to collect taxes owed to the County. The current property tax collection rate is approaching 97%, which puts Yancey County in the range of our county peer group. The sales tax projection for the County continues to be level as the State has transitioned from the per capita distribution to the point-of-sale distribution meaning Yancey County no longer shares in sales tax revenue on a statewide basis, but only receives what is actually collected in Yancey County. This loss in sales tax revenue has severely impaired one of the County's primary sources of income. Other revenue sources such as fees from building permits, deed filings, firearm permit fees and others are projected to be minor as they constitute only a small portion of the revenue for this budget. The remaining revenue sources include federal and state grants for specific programs, primarily at the Department of Social Services and the Transportation Department. Therefore, it is recommended that the Board continue to support tax collection measures to ensure that all outstanding tax revenue is collected.

MAJOR INITIATIVES AND EXPENDITURES

Despite the financial difficulties that this present economy has produced, Yancey County has made great progress. This budget will continue to contribute specifically to the restoration of the County's fiscal health, provide funding for the public schools, provide significant additional funds for health and human services, provide additional resources to the Sheriff's Department, provide much needed County facility repair, provide needed public services, and support community initiatives. Specifically, our proposed budget addresses these issues as follows:

- 1) **Fiscal Control and Financial Stability:** At the end of FY 2013, Yancey County had a fund balance reserve available for appropriation of \$1,047,443. This represents a 5.6% fund balance and is a significant increase over the \$316,669 available at the end of FY 2012. Although still below the state requirement of 8% available, this continues to represent significant improvement from the negative 9% available in FY 2009. Yancey County appreciates the close working relationship that has been developed with the N.C. Office of the State Treasurer and the N.C. Local Government Commission to restore the County's fiscal health. The County has worked closely with these agencies to implement sound financial policies and move the County to sound financial standing. This proposed budget recommends the continued allocation of \$400,000 to the "Contribution to Fund Balance" line item in the general fund. Together with the anticipated gains from the current year, the administration believes the fund balance reserve will reach the state mandated 8% available by the end of FY 2014-15. This has been a difficult task with many sacrifices but it is a goal that must and will be achieved for the long-term stability of Yancey County.

- 2) **Public Schools and Education:** *Yancey County Schools* continue to do great things to improve educational performance among our students. Yancey County is grateful for the close relationship with the Yancey County Board of Education and appreciates the difficult decisions the schools have made in light of state funding reductions. The Board of Commissioners met jointly with the Board of Education during the budget process to discuss funding priorities for Yancey County Schools. Without a doubt, the safety and security of children while at school is of paramount concern. The school system requested additional funds to provide various security measures in their facilities. To that end, this budget includes an additional appropriation of \$20,000 to be used for school capital safety projects as deemed appropriate by the Board of Education.

In addition to the \$20,000 appropriation for safety needs, the Board of Commissioners' commitment to Yancey County Schools and its students continues to be a top priority and this budget for FY 2014-15 maintains the current level of appropriation for current expense, JROTC, and local supplements. Specifically, this budget appropriates \$2,867,734 for the school system's current expense budget. Additionally, the County maintains the \$100,000 appropriation for local supplements, a \$40,000 appropriation for continuation of the JROTC program, a \$580,000 appropriation to the schools' capital outlay fund, and \$60,000 in timber receipts designated for school use. This is a total commitment to the Yancey County School System of \$3,667,734.

Mayland Community College, while primarily supported with state funds, depends on the three partner counties of Mitchell, Avery and Yancey for operational and capital equipment costs. Yancey County has historically funded the community college at or above the level of the other partner counties. Mayland Community College is funded in this budget with an appropriation of \$323,808 which is in keeping with their overall request to the counties.

Furthermore, the County is pleased to assist Mayland with the construction of the "Anspach Advanced Manufacturing School" on the Yancey Campus. This facility will be a valuable asset in the recruitment of business and industry to Yancey County as well as provide the trained workforce in new manufacturing technology necessary for the County's existing industries. This budget includes an appropriation of \$10,000 as the first installment of a contribution pledge of \$50,000 for the construction of the Anspach Advanced Manufacturing School at the Yancey Campus.

- 3) **Sheriff's Department and Detention Center:** The County continues the appropriations necessary for the Sheriff to add additional patrols and increase officer presence at the County's public schools. The safety and security of children at school is of paramount concern to everyone. These additional resources have been put on the ground and these officers supplement the work of the school system's resource officers to provide a secure learning and working environment for both students and staff at the County's schools. Additionally, during the current fiscal year the County purchased four new patrol vehicles to replace the most aged of the fleet. This budget provides funding to continue needed capital equipment purchases and also match grants received from the Governor's Crime Commission to provide officer safety equipment.

Earlier this year, the Sheriff initiated an inmate work crew program. This program provides low-risk inmates to conduct laborious maintenance tasks in and around county facilities, including painting,

mowing and cleaning services. This budget provides funds to pay for correctional work crew expenses as well as funds for detention staff time to monitor this program.

The Sheriff is responsible for managing several sections of the County budget. The Sheriff is responsible for the "Sheriff's Department" budget of \$1,309,861, which includes patrol and investigations, "Sheriff Dispatch" budget of \$250,158; "County Detention Facility" budget of \$953,803; "County Grounds Security" budget of \$61,705; "Animal Control" budget of \$58,937; and the "Non-Departmental Juvenile Inmate Confinement" budget of \$10,000. The total appropriated by this budget and managed by the Sheriff is \$2,644,464, which is 13% of the total general fund budget.

- 4) **Health and Human Services:** Yancey County is required by state law to provide certain public and environmental health services to the citizens of Yancey County. These services are provided through the three-county Toe River Health District comprised of Yancey, Mitchell and Avery counties. The Health District, just like other units of local government, has experienced financial difficulties over the past several years due to the economy and State budget reductions. The Health District has proposed to the member counties a funding formula, including a per capita component, to determine a rationale for funding appropriations from each of the counties. Although Yancey County has a history of strong financial support of the Health District, during the past several years of financial crisis the contributions to the Health District have lagged behind the other two counties. With this new formula in hand and improved County financial standing, this Budget includes an increase of \$42,215 – a 16% increase – to the Health District over the current fiscal year. This brings Yancey County funding to the Toe River Health District to \$309,690 for FY 2014-2015.

Across North Carolina, county DSS agencies have grappled with severe food stamp case backlogs and delayed processing of applications since July 2013 when a new version of NCFAST was released to prepare for the NCFAST Medicaid system component. NCFAST is the State computer system required in all county DSS agencies to process food stamp and Medicaid cases. It is no secret that the NCFAST computer system does not work as intended and counties across the State are struggling to work with this system to ensure citizens do not go hungry or fail to acquire necessary medical services. Yancey County is not immune to this statewide issue. Under the new system, the time necessary to process a food stamp application has increased by 100%, and food stamp recertification has increased 88%. Assistance from the State has been lackluster and counties have been left to cope as best they can. In Yancey County, DSS staff is working evenings and weekends to navigate the NCFAST system for the sake of our clients. Hundreds of hours of overtime have been accumulated and staff members have left their positions out of frustration due to the issues directly attributable to NCFAST. High turnover results in a constant expense for training new staff and further delays in service. This budget includes funds to address these issues by providing resources to hire an additional staff person. This will allow a current highly skilled employee to become a Work Support Strategies Coordinator to provide on-site training and troubleshooting for all staff. It is believed this will help to stabilize staff turnover and allow staff to timely process applications and recertification as well as cope with ongoing changes in the State's NCFAST computer system.

- 5) **Comprehensive Recreation Grounds:** Funding is recommended to continue work on the Comprehensive Recreation Grounds (CRG), now named Cane River Park, on Whittington Road in

western Yancey County. This new park facility, opened in 2012, has been used by hundreds of families in multiple youth and adult athletic programs, use of playgrounds, walking trails, river activities, and other active and passive recreation activities. The County has completed substantial work at Cane River Park to develop the baseball/softball complex using both county funds and a generous contribution from Altec Industries. However, there are several items remaining to complete this complex including bleachers, benches, score boards and connecting trails. In addition, these appropriated funds will be used to install infrastructure components such as electric, water, and septic systems. At this time, it is requested that the County appropriate \$100,000 to provide for development needs at Cane River Park.

- 6) **Employee Compensation:** Employees have worked very hard during some of the most difficult economic circumstances in recent memory. The U.S. Bureau of Labor Statistics Consumer Price Index reports that all items in the index increased 1.5% over the last 12 months and that can be multiplied over the period since the last employee pay increase. This budget includes a 3% across the board pay increase for all county employees. This is the first pay increase since a 2% increase in 2012 and only the second pay increase since 2008. During these difficult years, employees have seen the cost of living increase and their take home pay actually decrease due to the increase in the employee share of health insurance premiums. We are pleased to recommend this budget with the inclusion of a 3% employee pay increase.

Furthermore, the County successfully negotiated with our employee health insurance provider this spring which resulted in no increase in employee health insurance premiums. The County has worked with our provider, Blue Cross Blue Shield of N.C., to implement cost containment measures and to encourage wellness activities with our employees.

- 7) **Senior Citizens Center and Community Agencies:** Yancey County is fortunate to have many beneficial community agencies serving the needs of Yancey County's citizens. Among these organizations is the Yancey County Committee on Aging. The County has assisted the Committee on Aging in securing funding to construct a new Senior Citizens Center. Over the years, the County has provided numerous financial contributions toward a capital campaign to construct this new facility and the County was instrumental in obtaining a \$500,000 N.C. Catalyst Grant from the N.C. Department of Commerce for this project. Together with this grant, private fundraising and a USDA Rural Development loan to the Committee on Aging, construction is now underway on the new facility. In order to ensure the timely completion of this project, this budget appropriates \$100,000 to the Committee on Aging specifically for the construction of the new Senior Citizens Center.

Community Agencies provide vital services to our community. This County continues to support these initiatives by continuing current year funding appropriations to the Yancey County Rescue Squad, Yancey Firefighters Association, Yancey County Literacy Council, the Middle School Health Centers, Graham Children's Health Services, Hospice of Yancey County, the Yancey County Humane Society, the Yancey County Youth League and others. These agencies represent what is great about Yancey County – a spirit of community involvement for our citizens.

- 8) **Facility Needs and Capital Outlay:** Several County buildings were repaired during the current fiscal year. The courthouse roof was successfully repaired as well as a new roof on both the former library

facility on the Town Square and the Information Technology/General Services facility located on Oak Crest Road. There are funds included in this budget to complete other needed facility repairs, renovations and HVAC replacement. Improvements to facilities are imperative in order to have a place citizens can be proud of as well as providing a safe workplace for employees. Great strides have been made in this area over the past two years, however, there is much more work to do.

Finally, funds are proposed in this budget to complete the renovation of the County-owned building and property that houses the County's Materials Recovery Facility and Convenience Center on Burnsville School Road. Considerable work was completed in FY 2013-2014, however, there remains paving of a new material drop-off area on the eastern portion of the property. This paving and signage should complete this renovation of the property that became necessary due to the U.S. Highway 19-E construction project. Funding in the amount of \$37,500 to complete this project is requested.

BUDGET SUMMARY

Yancey County has been able to accomplish great things for the citizens of Yancey County by planning and analysis of needs and resources, conducting careful budgeting and then maintaining a disciplined adherence to the adopted budget. The leadership of the Board of Commissioners and the diligent work of County employees has resulted in tremendous progress toward rebuilding the financial stability of County government while at the same time providing investments for economic development infrastructure, public safety and health and human services and support for community initiatives for our citizens.

Respectfully submitted on this the 9th day of June 2014.

NATHAN R. BENNETT,
Yancey County Manager

YANCEY COUNTY BUDGET ORDINANCE FOR FISCAL YEAR 2014-2015

WHEREAS, pursuant to the provisions of North Carolina General Statutes 159-10, 159-11, and 159-12, each Department Head submitted budget requests and estimates of the financial requirements of each department in such form and detail as was prescribed by the Budget Officer and Finance Officer. Same were submitted in consideration of the associated Department Head's complete statement of amounts exhausted for each category of expenditures in the Budget Ordinance for the fiscal year 2013-2014, together with such estimated expenditures for the fiscal year 2014-2015 and with the estimation of the amount to be realized from each source of revenue. On April 28, 2014, the Budget Officer submitted a preliminary draft budget to the Yancey County Board of Commissioners for their consideration, complying in all respects with North Carolina General Statutes 159-13(b). On the same date, the Budget Officer also filed a copy of the preliminary draft budget in the Office of the Clerk to the Board of Commissioners, where it remained for public inspection; updated versions were substituted as they became available, until the adoption of the Budget Ordinance. Copies of same were also made available to all local news media, together with a statement being published to the effect that the budget has been submitted to the Board of Commissioners and was available for public inspection in the Office of the Clerk to the Board of Commissioners, and stating that a public hearing would be held on June 9, 2014 at 6:00 o'clock p.m. in the Courtroom of the Yancey County Courthouse in Burnsville, North Carolina. Such a public hearing was held at the designated time and place at which time persons who desired to be heard regarding the budget appeared before the Board.

WHEREAS, this Ordinance has been prepared pursuant to the requirements of Chapter 159 of the General Statutes of the State of North Carolina; and

NOW, THEREFORE, be it ORDAINED by the Board of Commissioners for the County of Yancey as follows:

Section One:

The appropriations made herein are for the maximum amounts necessary to provide the services and to accomplish the purpose described. Each Department Head shall affect savings and unexpended and unobligated portions of each appropriation shall revert to the appropriate fund at the end of the fiscal year.

Section Two:

Appropriations are hereby made for the fiscal year beginning July 1, 2014 and ending June 30, 2015 according to the following schedule (Appendix A and B):

Section Three:

There is hereby levied and authorized to be collected for the fiscal year 2014-2015 in accordance with Chapter 105 of the General Statutes of the State of North Carolina, a tax on all property situated in Yancey County, which tax shall be at the rate of fifty cents (\$.50) per one hundred dollars (\$100.00) assessed valuation of such property. It is further authorized that the 2014-2015 tax levy include an additional six and one-half cents (\$.065) per one hundred dollars (\$100.00) of valuation for the South Toe Fire District of South Toe Township; an additional six cents (\$.06) per one hundred dollars (\$100.00) of valuation for the Pensacola Fire District of Pensacola Township and for the Double Island Fire District of

Brush Creek Township, and for the Newdale Fire District of Crabtree Township, and for the Burnsville Rural Fire Tax District of the Burnsville Township (non-municipal); an additional five cents (\$.05) per one hundred dollars (\$100.00) of valuation for the Egypt/Ramseytown Fire District of Egypt and Ramseytown Townships, and for the Clearmont Fire District of the Jacks Creek and Green Mountain Townships; and an additional four cents (\$.04) per one hundred dollars (\$100.00) of valuation for the West Yancey Fire District of Prices Creek and Cane River Townships. The Board of Commissioners further authorizes the Budget Officer to modify the fire district budget up to the amount of collections. These rates are based on an estimated total assessed value for the purpose of taxation of two billion, five hundred twenty-four million, six hundred thirty-one thousand, five hundred ninety-two dollars (\$2,524,631,592.00). Current year collections have been used to estimate the tax revenue for the fiscal year beginning July 1, 2014 and ending June 30, 2015.

Section Four:

The Budget Officer may transfer amounts between objects of expenditure within a department without limitation and without a report being required. The Budget Officer further is authorized to make amendments within departmental budgets in amounts not to exceed a total of \$10,000 per department. The Budget Officer may also transfer amounts up to \$10,000 between departments within the same fund with an official report on such transfers provided to the Board of Commissioners. The Budget Officer is also further authorized to execute any contracts or documents for which this budget has an appropriation made hereto.

Section Five:

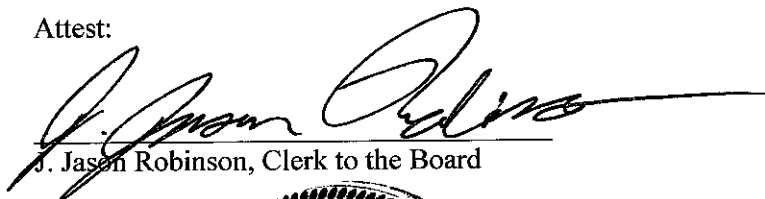
Copies of this Ordinance shall be furnished to the Finance Officer to be kept on file for her direction in the acceptance of revenues and the expenditure of amounts appropriated. Copies of this Ordinance shall also be furnished to the Clerk to the Board to be kept on file for examination by the public.

Section Six:

This Ordinance is effective July 1, 2014.

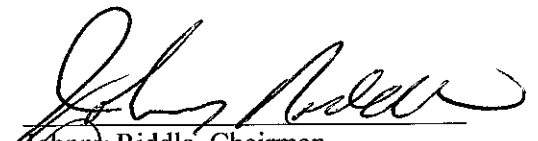

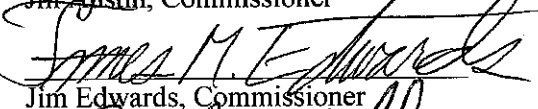


ADOPTED this 9th day of June, 2014.

Attest:


J. Jason Robinson, Clerk to the Board

(county seal)




Johnny Riddle, Chairman

Jill Austin, Commissioner

Jim Edwards, Commissioner

Randy Ollis, Commissioner

Jeff Whitson, Commissioner

YANCEY COUNTY 2014-2015 FISCAL YEAR BUDGET

| GENERAL FUND | |
|----------------------------------|------------------------|
| REVENUES | |
| DEPARTMENT | ADOPTED AMOUNT |
| GENERAL REVENUES | \$5,812.00 |
| LICENSE PLATE AGENCY | \$69,000.00 |
| TAX COLLECTIONS | \$13,441,885.00 |
| NONDEPARTMENTAL | \$3,059,661.00 |
| CLERK OF COURT | \$18,765.00 |
| BOARD OF ELECTIONS | \$0.00 |
| REGISTER OF DEEDS | \$195,055.00 |
| SHERIFF'S DEPARTMENT | \$46,491.00 |
| JAIL | \$126,033.00 |
| BUILDING INSPECTIONS | \$33,500.00 |
| TRANSPORTATION | \$359,715.00 |
| SANITATION | \$280,432.00 |
| LANDFILL | \$118,428.00 |
| MAPPING DEPARTMENT | \$200.00 |
| DSS - ADMINISTRATION | \$2,383,763.00 |
| DSS - INCOME MAINTENANCE | \$11,500.00 |
| DSS - CHILDREN & FAMILY SERVICES | \$0.00 |
| VETERAN SERVICES | \$1,452.00 |
| CHILD DAY CARE | \$113,744.00 |
| AGRICULTURAL EXTENSION | \$15,000.00 |
| CULTURAL RESOURCE COMMISSION | \$13,000.00 |
| RECREATION | \$27,600.00 |
| TOE RIVER CAMPGROUND | \$172,000.00 |
| EMERGENCY MANAGEMENT | \$38,504.00 |
| TOTAL REVENUES: | \$20,531,540.00 |

| EXPENSES | |
|------------------------------|----------------|
| DEPARTMENT | ADOPTED AMOUNT |
| GOVERNING BODY | \$92,167.00 |
| MANAGEMENT | \$129,503.00 |
| FINANCE | \$150,971.00 |
| TAX ADMINISTRATION | \$385,239.00 |
| LEGAL SERVICES | \$40,000.00 |
| LICENSE PLATE AGENCY | \$105,935.00 |
| CLERK OF COURT | \$8,925.00 |
| BOARD OF ELECTIONS | \$229,743.00 |
| REGISTER OF DEEDS | \$209,983.00 |
| MAINTENANCE | \$395,214.00 |
| MAPPING | \$55,909.00 |
| INFORMATION TECHNOLOGY | \$94,896.00 |
| NON-DEPARTMENTAL | \$1,464,052.00 |
| SHERIFF'S DEPARTMENT | \$1,309,861.00 |
| SHERIFF'S DISPATCH | \$250,158.00 |
| COUNTY DETENTION FACILITY | \$953,803.00 |
| NONDEPARTMENTAL | \$10,000.00 |
| COUNTY GROUNDS SECURITY | \$61,705.00 |
| EMERGENCY MANAGEMENT | \$79,348.00 |
| BUILDING INSPECTIONS | \$105,359.00 |
| MEDICAL EXAMINER | \$18,000.00 |
| CONTRACTUAL EMS/RESCUE | \$1,064,224.00 |
| ANIMAL CONTROL | \$58,937.00 |
| E-911 NONSURCHARGE | \$257,404.00 |
| TRANSPORTATION - ADMIN | \$148,752.00 |
| TRANSPORTATION - OPERATIONS | \$235,101.00 |
| TRANSPORTATION - E&D PROGRAM | \$123,539.00 |
| TRANSPORTATION - CAPITAL | \$7,113.00 |
| TRANSPORTATION - 5310 GRANT | \$39,485.00 |
| SANITATION | \$1,266,378.00 |
| RECYCLING | \$145,877.00 |
| LANDFILL | \$236,856.00 |
| FORESTRY | \$63,932.00 |

| | |
|----------------------------------|------------------------|
| COUNTY PLANNER | \$36,312.00 |
| ECONOMIC DEVELOPMENT | \$112,580.00 |
| AGRICULTURAL EXTENSION | \$223,400.00 |
| 4-H AFTERSCHOOL | \$73,582.00 |
| AGRICULTURAL CENTER | \$62,800.00 |
| SOIL & WATER CONSERVATION | \$83,236.00 |
| MENTAL HEALTH | \$26,000.00 |
| TOE RIVER HEALTH DISTRICT | \$369,690.00 |
| DSS - ADMINISTRATION | \$469,077.00 |
| DSS - INCOME MAINTENANCE | \$1,025,264.00 |
| DSS - CHILDREN & FAMILY SERVICES | \$2,268,171.00 |
| VETERAN SERVICES | \$17,931.00 |
| CHILD DAY CARE | \$272,402.00 |
| PUBLIC SCHOOLS | \$3,667,734.00 |
| COMMUNITY COLLEGES | \$333,808.00 |
| LIBRARY | \$113,958.00 |
| CULTURAL RESOURCES COMMISSION | \$63,136.00 |
| RECREATION | \$132,091.00 |
| CRG - ADMINISTRATION | \$108,819.00 |
| TOE RIVER CAMPGROUND | \$279,804.00 |
| CONT TO OTHER FUNDS | \$993,376.00 |
| TOTAL EXPENSES: | \$20,531,540.00 |

SUPPLEMENTAL FUNDS

| GRANT FUND | |
|----------------------------------|----------------|
| REVENUES | |
| DEPARTMENT | ADOPTED AMOUNT |
| JCPC ADMINISTRATION | \$1,819.00 |
| MOUNTAIN CHALLENGE | \$31,714.00 |
| DJJDP - JUVENILE MEDIATION | \$1,500.00 |
| DJJDP - PROJECT CHALLENGE | \$25,838.00 |
| DJJDP - FAMILY BASED COUNSELING | \$11,074.00 |
| DJJDP - CROSSNORE SCHOOL | \$8,000.00 |
| GOV CRIME COMM GRANT (DETENTION) | \$11,580.00 |
| BJA VEST GRANT | \$9,200.00 |
| CONTRIBUTION FROM GENERAL FUND | \$30,270.00 |
| TOTAL REVENUES: | \$130,995.00 |
| EXPENSES | |
| DEPARTMENT | ADOPTED AMOUNT |
| JCPC - ADMIN GRANT | \$1,819.00 |
| MOUNTAIN CHALLENGE | \$39,642.00 |
| DJJDP - JUVENILE MEDIATION | \$1,800.00 |
| DJJDP - PROJECT CHALLENGE | \$31,006.00 |
| DJJDP - FAMILY BASED COUNSELING | \$13,288.00 |
| DJJDP - CROSSNORE SCHOOL | \$9,600.00 |
| GOV CRIME COMM GRANT (DETENTION) | \$15,440.00 |
| BJA VEST GRANT | \$18,400.00 |
| TOTAL EXPENSES: | \$130,995.00 |

| E-911 SUCHARGE FUND | |
|---------------------------|---------------------|
| REVENUES | |
| DEPARTMENT | ADOPTED AMOUNT |
| ENHANCED 911 REVENUES | \$205,383.00 |
| TOTAL REVENUES: | \$205,383.00 |
| EXPENSES | |
| ENHANCED 911 EXPENDITURES | \$205,383.00 |
| TOTAL EXPENSES: | \$205,383.00 |

| REVALUATION FUND | |
|--------------------------------|--------------------|
| REVENUES | |
| DEPARTMENT | ADOPTED AMOUNT |
| CONTRIBUTION FROM GENERAL FUND | \$30,000.00 |
| TOTAL REVENUES: | \$30,000.00 |
| EXPENSES | |
| REVALUATION CD CONTRIBUTION | \$30,000.00 |
| TOTAL EXPENSES: | \$30,000.00 |

| FIRE DISTRICT FUND | |
|------------------------|-----------------------|
| REVENUES | |
| DEPARTMENT | ADOPTED AMOUNT |
| FIRE DEPT REVENUES | \$1,225,000.00 |
| TOTAL REVENUES: | \$1,225,000.00 |
| EXPENSES | |
| FIRE DEPT EXPENDITURES | \$1,225,000.00 |
| TOTAL EXPENSES: | \$1,225,000.00 |

| MULTI-YEAR CAPITAL PROJECT FUND | |
|------------------------------------|--------------------|
| REVENUES | |
| DEPARTMENT | ADOPTED AMOUNT |
| CONTRIBUTION FROM GENERAL FUND | \$20,000.00 |
| TOTAL REVENUES: | \$20,000.00 |
| EXPENSES | |
| EAST YANCEY SEWER PROJECT START-UP | \$20,000.00 |
| TOTAL EXPENSES: | \$20,000.00 |

| CAPITAL PROJECT FUND | |
|--------------------------------|---------------------|
| REVENUES | |
| DEPARTMENT | ADOPTED AMOUNT |
| CONTRIBUTION FROM GENERAL FUND | \$137,500.00 |
| TOTAL REVENUES: | \$137,500.00 |
| EXPENSES | |
| RECREATIONAL GROUNDS | \$87,500.00 |
| EY RECYCLING PROJECT | \$50,000.00 |
| TOTAL EXPENSES: | \$137,500.00 |

| DEBT SERVICE FUND | |
|---------------------------------|---------------------|
| REVENUES | |
| DEPARTMENT | ADOPTED AMOUNT |
| CONTRIBUTION FROM GENERAL FUND | \$375,606.00 |
| FEDERAL GOVT INT REIM - LIBRARY | \$21,374.00 |
| TOTAL REVENUES: | \$396,980.00 |
| EXPENSES | |
| LIBRARY DEBT SERVICE | \$119,434.00 |
| JAIL DEBT SERVICE | \$277,546.00 |
| TOTAL EXPENSES: | \$396,980.00 |

Attachment I

Prepared by Donny J. Laws, Yancey County Attorney, PO Box 397, Burnsville, NC 28714

This instrument has been pre-audited in the manner required by the Local Government Budget and Fiscal Control Act.

Date:

7/21/14

Brandi Burlison
Finance Officer, Yancey County

STATE OF NORTH CAROLINA

LEASE AGREEMENT

COUNTY OF YANCEY

June 2014

THIS LEASE AGREEMENT is made and entered into on this the day and year first above written, by and between, **SAMUEL K. YOUNG and wife, KIMBERLY M. YOUNG**, hereinafter referred to as Lessor, and **YANCEY COUNTY, a Body Politic and Corporate of the State of North Carolina**, hereinafter referred to as Lessee; thus

WITNESSETH

THAT WHEREAS the Lessor, in consideration of the agreements and covenant hereinafter mentioned and expressed, to be fulfilled and performed by the Lessee, does hereby lease and let unto the Lessee for the term hereinafter specified certain premises within that certain warehouse building being situated on a tract or parcel of land lying and being situated in Burnsville Township, Yancey County, North Carolina, along Love Fox Road, containing 5.37 acres as more particularly described in that Deed recorded of record at Yancey County Deed Book 528, Page 361, being particularly the southern one-third portion of said warehouse building so situated divided by a presently existing interior party wall, together with those easements more particularly described in Paragraph 16 of this Lease Agreement, the same being incorporated herein by reference, said premises being hereinafter referred to as the "Demised Premises", together with all appurtenances.

TO HAVE AND TO HOLD said premises unto the Lessee upon the following terms and conditions:

- 1) Term: The initial term of this Lease shall be for two years and shall commence on 1 July 2014 through and until 30 June 2016.
- 2) Basic Rent: Rents hereunder shall be payable as follows: All payments shall be made on or before the first day of each consecutive calendar month over the term of this Lease and shall be in an amount of \$3,000.00 per month.

- 3) Covenant of Title and Quiet Enjoyment: The Lessor covenants and warrants to the Lessee that the Lessor has full right and lawful authority to enter into this Lease for the term hereof and that provided the Lessee is not in default hereunder, Lessee's quiet and peaceable enjoyment of the premises shall not be disturbed by anyone claiming through the Lessor.
- 4) Inspection: The Lessor shall have the right at all times: (a) to enter and inspect the building, and (ii) upon reasonable notice to Lessee to enter and inspect the demised premises.
- 5) Insurance: The parties hereto do hereby covenant and agree that the Lessor has and shall maintain upon the warehouse building in which the demised premises is situate insurance against loss from fire and hazard. The Lessee covenants to and with the Lessor that it shall maintain a policy of general liability insurance which shall insure against damage or loss to person or property pertaining to the use of the demised premises by the Lessee, specifically naming the Lessor as an additional loss-payee on any such policy of insurance. The Lessee further covenants to and with the Lessor that it shall main adequate insurance coverage upon any and all personal property, chattels, and inventory and products on hand so as to insure the same against damage or loss from fire or hazard.
- 6) Use of Premises by Lessee and Indemnification of Lessor: The Lessee covenants and agrees that it will use the demised premises for the purposes of providing services to the public relative to the business in which Lessee is engaged, and for any other lawful purpose to which the demised premises might be usefully put, and will keep and maintain the same in compliance with all ordinances, laws, and regulations of authorities having jurisdiction thereof. The Lessee does hereby further covenant and agree to and with the Lessor that it shall indemnify the Lessor against and shall hold the Lessor harmless from any and all liability which it may or might incur as a result of any damages at law or in equity as to the loss of person or property which might incur by reason of the Lessee's occupation of the demised premises or the acts or omissions of the Lessee, its employees, agents, and/or invitees.
- 7) Responsibilities of Lessor: The Lessor shall maintain the roof, structural parts, fire suppression system and exterior of the building, plate glass, if any, plumbing, heating, cooling, and electrical systems, unless damage thereto shall result from the negligence of the Lessee, in which case the Lessee shall be responsible for the same. The Lessor shall in no event be liable for damage to the Lessee for the stoppage, curtailment, or reduction of heat, lighting, or other service or for injury to persons or property where the cause of the failure is beyond the control of the Lessor.

8) Alteration and Upkeep: With regard to alterations and renovations relative to the demised premises the parties hereto do hereby covenant and agree as follows:

- a. The Lessee shall make no additions, alterations, improvements, or partitions, or any modification of the demised premises, without the prior written approval of the Lessor.
- b. The Lessee further covenants and agrees to keep the demised premises in good condition and to surrender and to deliver up the same in as good condition and repair as the same exists on the commencement of this Lease, reasonable wear and tear and excepted with the specific exception that any of the renovations and installation of equipment paid for by the Lessee as referenced herein above which may be removed and taken without permanent damage to the structural integrity of the warehouse building in which the demised premises are situate shall be considered the sole and separate personal property of the Lessee herein and the Lessee shall be entitled to take possession of the same and remove them from the demised premises at the conclusion of this Lease Agreement should the Lessee so elect.

9) Fire or Casualty: If the building or the demised premises or any portion thereof shall be damaged or destroyed by fire or other casualty, the Lessor or Lessee shall have the right to terminate this Lease effective as of the date of such damage or destruction. If the Lessor and Lessee do not elect to terminate this Lease, then the rentals shall abate during the period of reconstruction.

10) Assignment or Subletting: The Lessee shall not have the right to assign this Lease or to sublet the demised premises in whole or in part, without the prior written consent of the Lessor with the specific exception that the Lessee may assign its rights hereunder at the end of the initial lease period to the entity known as Toe River Aggregation Center Training Organization Regional, Inc., a North Carolina Non-Profit Corporation, (a/k/a TRACTOR, Inc.) for purposes of negotiating any renewal hereof, should the Lessee so elect.

11) Default:

a) Each and every one and all of the following events shall constitute an event of default:

- i) If the Lessee fails to pay any sum due from it in strict accordance with the provisions of this Lease, and does not make such payment within five days of such payment being due as herein provided. For the purposes hereof all sum due from the Lessee shall constitute rentals whether denominated as rentals or otherwise elsewhere herein.

- ii) If the Lessee fails to fully perform and comply with each and every condition and covenant of this Lease Agreement and such failure of performance continues for a period of fifteen days after notice thereof.
 - iii) If the Lessee vacates or abandons the demised premises.
- b) Upon the occurrence of any event of default as set forth herein above, the Lessor shall have the right, at its option, to utilize any one or more of the following rights:
- i) To cancel and terminate this Lease Agreement and all interests of the Lessee hereunder by giving notice of such cancellation and termination not less than ten days prior to the effective date of such termination. Upon the expiration of such ten day period, the Lessee shall have no further rights under this Lease Agreement.
 - ii) To re-let the demised premises or any part thereof for any term, with or without terminating the Lease, and at such rentals and on such other terms as the Lessor may elect, and to alter and repair the premises as the Lessor shall deem necessary.
 - iii) All other rights and remedies provided by law to Lessor with a defaulting Lessee, including all such money damages as the Lessor shall be entitled pursuant to the law of damages.
- c) In the event of any conflict between any of the provisions hereof regarding the amount of time that must elapse without cure after notice of breach before the same constitutes an event of default, then the provisions establishing the greatest amount of time to cure after notice shall prevail
- 12) Binding Effect & Complete Terms: The terms, covenants, conditions, and agreements herein contained shall be binding upon and inure to the benefit of and shall be enforceable by the Lessor and the Lessee and by their respective heirs, successors, and assigns. All negotiations and agreements of the Lessor and the Lessee are merged herein. No modification hereof or other purported agreement of the parties shall be enforceable unless the same is in writing and signed by the Lessor and Lessee.
- 13) Construction of Lease: This lease shall not be construed more strictly against either party regardless of which party is responsible for the preparation of the same.
- 14) Easements: The Lessor does hereby give, grant, and convey unto the Lessee for and during the term of this Lease Agreement and any extensions and/or

renewals thereof, an easement and right of way: 1) for the exclusive use of the parking area situated along the southern side of the warehouse building in which the demised premises is situate, and 2) for the non-exclusive use of the private drives which are located upon the 5.27 acre tract upon which the demised premises is situate which said drives lead to and from the public roadway and circularly around the warehouse building in which the demised premises are situate, and 3) for the non-exclusive use of the loading dock area situated along the eastern side of the warehouse building in which the demised premises is situated.

- 15) Utilities: The Lessee shall be solely responsible for and timely pay the cost of any and all utilities which it shall require for its use of the demised premises hereunder. The parties further agree each with the other that to the extent that any tap or connection fee shall be charged for the connection of any public utility for service to the demised premises the Lessee shall be solely responsible for the costs and expense of the installation of such utility.
- 16) Waiver: No failure by the Lessor to exercise any rights hereunder to which the Lessor may be entitled shall be deemed a waiver of the Lessor's right to subsequently exercise the same. The Lessee shall gain no rights nor become vested with any power to remain in default under the terms hereof by virtue of the Lessor's failure to timely assert its rights. No acceleration of rentals, regardless of how often occurring, which the Lessor chooses to ignore by thereafter accepting rental or other performance by the Lessee shall constitute a waiver of the right to thereafter accelerate rentals.
- 17) Right of First Refusal: The Lessor does by execution hereof give, grant, and convey unto the Lessee herein the right of first refusal to purchase the entire warehouse building and acreage upon which it sits, upon the following terms and conditions:
 - a. Should the Lessor receive a bona fide offer to purchase the said property it shall communicate the same, in writing, to the Lessee within seven (7) days of receipt thereof,
 - b. Upon receiving notice of any bona fide offer to purchase the said property the Lessee shall have thirty (30) days to exercise its right to purchase the said property upon the same terms and conditions and the bona fide offer received by the Lessor by notice to the Lessor, in writing, of its intent to purchase.
 - c. The closing of such purchase by the Lessee under this right of first refusal shall occur within ninety (90) days of the Lessor's receipt of the Lessee's written notice to exercise its right to purchase.

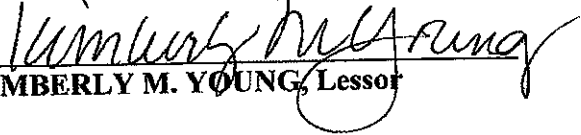
- d. Should the Lessee desire not to purchase the property upon the terms of any other bona fide offer received by the Lessor for the purchase thereof the Lessee may waive its right of first refusal in writing at any time within the thirty (30) days allowed for its exercise as stated herein above.

- 18) Notices: All notices, demands, and requests which may be or are required to be given by either party of the other shall be in writing. All notices, demands, and requests by the Lessee to the Lessor shall be delivered to its principal office address at 209 Laurel Street, Burnsville, NC 28714, or at any other such place as the Lessor may from time to time designate in written notice to the Lessee. All notices, demands, and requests by the Lessor to the Lessee shall be delivered to the Lessee at, the Office of the Yancey County Manager at 110 Town Square, Room 11, Burnsville, NC 28714, or at any such other place as the Lessee from time to time may designate in written notice to the Lessor. Notices, demands, and requests which shall be served upon the Lessor and Lessee in the manner aforesaid shall be deemed sufficiently served or given for all purposes hereunder.
- 19) Integration Clause: Any stipulations, representations, or agreements, parol or written, made prior to or contemporaneously with this Agreement, shall have no legal or equitable consequences, and the only agreement made and binding on the parties hereto is contained herein and it is the complete and total integration of the intent and understanding of the Lessor and Lessee.
- 20) Non-Appropriation Clause: If funds are not appropriated at any time during a subsequent fiscal year and there is no legal procedure or available funds by or with which payments can be made and the appropriation did not result from an act or omission by the Lessee then the Lessee shall have the right to terminate this Lease Agreement on the last day of the fiscal period for which appropriations were received without penalty or expense to Lessee, except as to the portion of rent for which funds shall have been appropriated and budgeted. At least thirty (30) days prior to the end of the Lessee's fiscal year the Lessee's financial officer shall certify in writing in the event that funds are not appropriated for the fiscal period and that such non-appropriation was not as a result of any act or omission of the Lessee and that the Lessee has exhausted all funds legally available for the payment hereunder. If, however, and in the event that this Agreement shall be terminated for non-appropriation of funds and there shall remain at such time any amount then still due and owing to the Lessor as provided in Paragraph 9(a)(b) hereinabove, then the Lessee shall not be entitled to take and remove from the demised premises any items of personal property or goods and chattels of the Lessee located within the demised premises until such time as the sums then still due and owing under Paragraph 9(a)(b) are fully paid to the Lessor.

IN TESTIMONY WHEREOF the parties hereto have hereunto set their hands and have affixed their respective seals on this the day and year first above written.



SAMUEL K. YOUNG, Lessor



KIMBERLY M. YOUNG, Lessor

**YANCEY COUNTY, a Body Politic and
Corporate of the State of North Carolina,
Lessee**

By: 

Title: Chairman